



NEWS RELEASE

September 24, 2010

U.S. Ambassador Harry K. Thomas, Jr. Congratulates the Philippines on the Signing of the 20 Billion Peso Millennium Challenge Corporation Compact

Ambassador Harry K. Thomas, Jr. expressed his congratulations to the Government and people of the Republic of the Philippines following the signing of a \$434 million (20 billion pesos) poverty reduction grant, known as a compact, between the Philippine Government and the Millennium Challenge Corporation (MCC). Secretary of State Hillary Rodham Clinton and His Excellency President Benigno S. Aquino III presided over the signing on Thursday, September 23 in New York City.

"This is a historic day in U.S.-Philippine relations," Ambassador Thomas said. "The MCC grant will support President Aquino's efforts to reduce poverty, stimulate economic growth, combat corruption, and ensure a better future for all Filipinos. Through this grant, we will make our strong partnership even stronger."

The compact provides funding for three major projects: \$54.3 million for a redesign and computerization of key business processes within the Department of Finance's Bureau of Internal Revenue to increase the efficiency, sustainability, and integrity of revenue collection; \$120 million for the expansion of KALAHI-CIDSS, a community-based rural development program focusing on small-scale infrastructure and related services that stimulate economic growth and reduce poverty; and \$214.4 million for construction and rehabilitation of the 220-kilometer Samar Road that passes through 15 municipalities.

To ensure efficient and transparent implementation, the compact provides approximately \$37 million for administration, financial management, procurement oversight, and audit as well as \$8.3 million for monitoring and impact evaluation.

For more details on the MCC compact, please visit www.mcc.gov. For a transcript of Secretary Clinton's remarks with President Aquino at the signing ceremony, visit www.state.gov/secretary/rm/2010/09/147833.htm.

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